

HOUSE BILL 2435

By Weaver

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 8, relative to transfer taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-8-314, is amended by designating the existing language as subsection (a) and by adding the following as a new subsection (b):

(b)

(1) In lieu of the tax imposed by subsection (a), beginning in 2013 and each year thereafter, the tax imposed upon the value of the net taxable estate of a decedent, distributable in accordance with the classification, deductions, allowances and exemptions set out in this part shall be reduced from the prior year's tax by decreasing the tax rate one percent (1%) in each tax bracket shown in the tables in subsection (a) until the inheritance tax is phased out; provided, however, that the tax rate for a tax bracket shall not be reduced to less than zero percent (0%). The inheritance tax table for the year shall be adjusted accordingly each year to take into account the reduction.

(2) The department of revenue shall calculate for each year the tax tables based on the reductions prescribed in subdivision (b) (1) and shall publish the tables on the departmental web site.

SECTION 2. This act shall take effect January 1, 2013, the public welfare requiring it.